

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 22, 2007**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3068** by Guillen (Relating to the authority and responsibilities of certain political subdivisions in relation to development.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend various chapters of the Local Government Code regarding regulations of subdivisions and utility connections by municipalities and counties located in a county that is near an international border. The bill would also amend Chapter 16 of the Water Code to permit the Texas Water Development Board (TWDB) to grant a request for temporary continuation of funding for a political subdivision that receives funds under Subchapter K, Chapter 17, Water Code (concerning the Economically Distressed Areas Program) if certain conditions are met. This provision expires on September 1, 2009.

The bill would authorize a county that includes territory located within 50 miles of an international border or certain municipalities within the county to regulate residential land development (for counties, in the unincorporated areas of the county and for municipalities, in the extraterritorial jurisdiction). Regulation authority would not apply if a tract of land is appraised as agricultural or open-space and would not apply to regulating commercial property that is uninhabitable. The county or municipality would be required to issue building permits for the applicable areas and would be authorized to charge a reasonable building permit fee. Fees collected would be deposited into the local government entity's general fund and could be used only for administering the building permit program. The act of violating land development restrictions imposed by a county or municipality in the applicable areas would be a Class C misdemeanor.

The TWDB anticipates that approximately three to five Economically Distressed Areas Program (EDAP) projects may be affected by the proposed changes to Chapter 16 of the Water Code. The agency expects that approximately 0.25 FTEs (Attorney IV) would be needed to carry out the work anticipated by the provision during the effective two year period for a total cost of approximately \$50,000 for the biennium. It is anticipated that this cost can be absorbed with existing agency resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 580 Water Development Board

**LBB Staff:** JOB, SD, CL, ZS, JF